

## **REMARKS**

Claims 2-8, 15-20, and 28-32 are pending in this application. Claims 2-8, 15-20, and 28-32 have been rejected. In view of foregoing amendments and following remarks, Applicants respectfully request allowance of the Application.

### **Summary of Examiner's Interview**

Applicants thank the Examiner for the telephone interview of November 3, 2009 between Examiner Elizabeth H. Rosen, and Applicant's representatives Robert L. Hails (Reg. No. 39,702) and Jialin Zhong (Reg. No. 62,937).

The following is a Statement of Substance of Interview for the telephone interview.

During the course of the interview, amendments to independent claim 29 are proposed and discussed in view of the outstanding §§ 101, 112, and 103 rejections. With respect to the § 101 rejection, the Examiner suggested amendments that overcomes the rejection. With respect to the § 112 rejections, the Examiner agrees that the proposed amendments to claim 29 clarify the scope of claim 29 and that adequate written description is provided for the claim. With respect to the § 103 rejection, Applicants discussed why features recited in claim 29 is not disclosed in the cited Fudali reference.

### **Claim Rejections under 35 U.S.C. §101**

Claims 2-8, 28, 29, and 31 were rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter. In particular, the Examiner contends that claims 2-8, 28, 29, and 31 are not tied to a machine and can be performed without the use of a particular machine. The Examiner further contends that steps recited in claims 2-8, 28, 29, and 31 may be performed within the human mind.

Independent claim 29 is directed to a **computer-implemented** method for managing receivables and a collateral agreement **in a computer system**. Claims 29 as amended further provides each step performed **by the computer system**. Therefore, it is clear that each step of the methods recited in claim 29 is tied to and performed by a machine, -- i.e., by the computer system or in the computer system. The methods recited in claim 29 further includes a step of **"recording, by the computer system, a direct link in the computer system with a link"** which simply cannot be performed within the human mind. Accordingly, the

rejection of claim 29 and its dependent claims 2-8 and 28 under 35 U.S.C. § 101 should be withdrawn.

Similarly, claim 31 is directed to a computer-implemented method and provides each step executed by or in the computer system. Further, claim 31 provides a step of "recording, by the computer system, a direct link in the computer system" which simply cannot be performed within the human mind. Accordingly, the rejection of claim 31 under 35 U.S.C. § 101 should be withdrawn.

Claims 15-20, 30, and 32 were rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter. In particular, the Examiner alleges that these claims are computer code per se and thus non-statutory. Further, the Examiner alleges that these claims could be product claims or method claims. Independent claims 30 and 32 are directed to a hardware machine-readable medium having stored thereon computer-executable instructions. Therefore, claims 30 and 32 clearly claim the machine-readable medium rather than computer codes as alleged by the Examiner. Further, claims 30 and 32 make it clear that the hardware machine-readable medium having stored thereon computer-executable instructions. M.P.E.P. 2160.01 states that "a claimed computer-readable medium encoded with a computer program is a computer element which defines structural and functional interrelationships between the computer program and the rest of the computer which permit the computer program's functionality to be realized, and is thus statutory. *See In re Lowery*, 32 F.3d 1579, 1583-1584 (Fed. Cir. 1994). Therefore, claims 30 and 32 are directed at statutory subject matter, and the rejection of claims 30 and 32, and their dependent claims 15-20 should be withdrawn.

Applicant notes further that the pending claims refer to a unique data structure for use by computer systems. Referring to FIGS. 3 and 4, the application proposes use of a direct link between a receivable record and a collateral agreement record. The pending claims refer to generation of such links for new receivables under circumstances as explained in the respective claims. Because the pending application refers to creation and use of a new data structure, the data structure when used in a computer system renders the computer system as a specific machine – one that uses the data structure. This is a second basis on which to hold the pending claims statutory under § 101.

### **Claim Rejection under 35 U.S.C. § 112, First Paragraph**

Claims 2-8, 15-20, and 28-32 were rejected under 35 U.S.C. § 112, first paragraph as failing the written description requirement. In particular, the Examiner alleged that claim 29 includes elements that are not described in the specification – thus deemed new matter.

During the interview, substantial effort was undertaken to explain the nature of the invention and to identify, with reference to the figures and text, where the application provides support for the claimed invention. The Examiner seemed to agree at the interview that the application provides adequate support.

With respect to the features of “collateral agreement object,” “plurality of collateral objects,” and “global declaration of purpose object” recited in claim 29, Applicant explained that these features are described in the specification in the background section. For example, the specification as originally filed clearly provides for collateral agreement, collateral, and global declaration of purpose, (see e.g., page 1, lines 9-20). To expedite consideration, the respective features are now recited with alternative terminology, as “collateral agreement record” and “global declaration of purpose record” respectively.

With respect to the feature of “when a new receivable object is created in the computer system representing an unsecured receivable,” this feature is recited generally as a new receivable at the beginning of the claim. The determination of whether the receivable is secured or not as described in the claims is described in the context of FIG. 2 and accompanying discussion (see e.g., the Specification, page 1, lines 25-32).

With respect to the feature of “the criteria specifying requirements for securing the unsecured receivable to at least one collateral specified in the collateral agreement object managed by the computer system,” the application describes this feature also in the context of FIG. 2 and accompanying discussion. Note further that the background describes the global declarations of purpose as computer records that are stored by a computer system and contain criteria.

With respect to the feature of “recording the new receivable object in the computer system with a link that directly identifies the collateral agreement object,” this feature is discussed at length in FIGS. 3 and 4 and accompanying discussion. See, for example, Fig.3 (items 302), and Fig. 4 (item 400). This feature was the subject of much discussion during the interview.

Accordingly, all rejections under 35 U.S.C. § 112, first paragraph should be withdrawn.

**Claim Rejection under 35 U.S.C. § 112, Second Paragraph**

Claims 2-8, 15-20, and 28-32 were rejected under 35 U.S.C. § 112, second paragraph as indefinite. Applicant respectfully requests withdrawal of the rejection.

Applicant respectfully suggests the claims as drafted clearly and concisely describe operations taken to build and maintain the data structures at issue in FIGS. 3 and 4. These figures describe a linking methodology that extends between data records in a computer system that represent receivables and other data records that represent collateral agreements. When a new receivable is entered into a computer system, the computer system compares the data of the receivable to criteria specified in a declaration of purpose record and determines whether to store the receivable as secured or not. When the receivable is secured, the data record representing the receivable is stored with a link that directly addresses the collateral object. When the receivable is not secured, no such link is required. This linking structure is different than other systems, such as the system illustrated in FIG. 1 where no direct link is provided. In the FIG. 1 system, to trace between receivables and collateral objects, a path of indirection must be traced, which is wasteful.

creating, by the computer system, a new receivable data record in the computer system representing a receivable;

comparing, by the computer system, data of the new receivable data record to criteria identified in a global declaration of purpose record associated with a data record representing the collateral agreement, the criteria specifying requirements for the new receivable to be secured to a collateral represented by the collateral agreement record;

if the receivable meets the criteria of the global declaration of purpose record, recording, by the computer system, a direct link in the computer system that directly identifies the new receivable data record with the collateral agreement record and secures the receivable represented by the new receivable data record to the collateral agreement to allow a one-step determination from the receivable to the collateral agreement;

if the receivable does not meet criteria of any global declaration of purpose record stored by the system, recording, by the computer system, the new receivable record in the computer system as an unsecured receivable, without a link to any collateral agreement record

Claim 29 uses ordinary English to describe operation of the method in clear terms. The other claims use similarly clear, concise terminology. Accordingly, Applicant respectfully requests withdrawal of the outstanding rejections based on § 112, second paragraph.

**Claim Rejection under 35 U.S.C. § 103 (a)**

Claims 2-8, 15-20, and 28-32 were rejected under 35 U.S.C. § 103(a) as unpatentable over U.S. Pat. No. 7,480,632 ("Fudali") alone.

Independent claims 29-32 as amended provide, in part:

if the receivable meets the criteria of the global declaration of purpose record, **recording**, by the computer system, **a direct link in the computer system that directly identifies the new receivable data record with the collateral agreement record** and secures the receivable represented by the new receivable data record to the collateral agreement to allow a one-step determination from the receivable to the collateral agreement; (emphasis added)

The Examiner refers to Fudali (col. 12, lines 4-13) as assertedly disclosing the feature. The cited portion of Fudali states (in its entirety, as quoted in the Office Action):

If trade N has an outstanding balance then a determination is made whether validated assets of an appropriate grade are available for allocation (Step S126). If assets are not available, then cash is added to make up the shortfall (Step S128). If assets are available, then the allocation proceeds according to the general allocation rules described above (S130). After an asset is applied to a trade for collateral, collateral management system 2 subtracts the collateral amount from the trade's outstanding balance and assesses the trade's (or investor's) newly calculated outstanding balance (Step S120). 12:4-13

This cited portion simply does not disclose "**recording**, by the computer system, **a direct link in the computer system that directly identifies the new receivable data record with the collateral agreement record**" recited in claims 29-32. In particular, the cited portion does not disclose or suggest "recording by the computer system a direct link in the computer system." Indeed, any reading of Fudali does not disclose the above highlighted feature recited in claims 29-32. Therefore, claims 29-32 and their corresponding dependent claims 2-8, 15-20, and 28 are not rendered unpatentable by Fudali alone. Withdrawal of the obvious rejection of claims 2-8, 15-20, and 28-32 is respectfully requested.

### **CONCLUSION**

All outstanding rejections have been overcome. It is respectfully submitted that, in view of the foregoing amendments and remarks, the application is in clear condition for allowance. Issuance of a Notice of Allowance is earnestly solicited.

Although not believed necessary, the Office is hereby authorized to charge any fees required under 37 C.F.R. § 1.16 or § 1.17 or credit any overpayments to Deposit Account No. 11-0600.

The Office is invited to contact the undersigned at 212-908-6380 to discuss any matter regarding this application.

Respectfully submitted,

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